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## UPDATE

## Lawmakers advance illegal immigration proposal



Sen. Russ Karpisek, introducer of LB403, explains that his bill would require electronic checks to verify legal status.

Lawmakers advanced an illegal immigration proposal Feb. 25 that would require electronic verification of legal status for some employees and applicants for public benefits.

LB403, introduced by Wilber Sen. Russ Karpisek at the request of the governor, would prohibit state agencies and political subdivisions from providing federal, state or local public benefits to individuals not lawfully present in the United States.

A Judiciary Committee amendment, adopted 40-2, included provisions from two other bills relating to immigration: LB34 and LB335.

LB34, sponsored by Omaha Sen. Brad Ashford, would require public employers to verify the legal status of employees by using E-Verify, a federal database operated by the U.S. Department of Homeland Security and the Social Security Administration. Status checks would be conducted after hiring.

LB335, introduced by Omaha Sen.

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## Committee releases preliminary budget report

The Appropriations Committee released its preliminary budget report Feb. 26, proposing adjustments that would increase state obligations by \$54.8 million over the biennium in comparison to Gov. Dave Heineman's budget plan.

The committee's recommenda-

tions would result in a financial status that is \$36.4 million below the minimum reserve. This likely will be adjusted in the final budget recommendation, as the committee foresees significant alterations to the preliminary financial status before April.

Factors that likely will alter the

financial status include revenue forecast revisions, availability and use of federal stimulus funds, the status of the state's defined benefit retirement funds and use of cash reserve fund monies.

According to the National Conference of State Legislatures, Nebraska's

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# A CLOSER LOOK.....

## Illegal immigration proposal advances



Sen. Charlie Janssen, left, explains his withdrawal of his amendment to repeal in-state tuition for undocumented students, as Sen. Brad Ashford looks on.



Sen. Danielle Nantkes questioned the necessity of LB403.

*continued from front page*

Mike Friend, would deny tax incentives to employers who do not electronically verify the legal presence of all employees working in Nebraska.

Fremont Sen. Charlie Janssen withdrew his amendment that would have repealed the Nebraska Dream Act. Under the act, qualified undocumented immigrant students are allowed to pay resident tuition at the University of Nebraska and state colleges.

Karpisek said Janssen's amendment to repeal the Dream Act, while an important issue, should be considered as a separate proposal.

"I feel that we have way more problems with immigration than just the Dream Act," he said.

In fact, Karpisek offered an amendment to specifically exclude the issue of in-state tuition from the bill. His amendment was adopted on a 36-0 vote.

Several senators questioned the necessity of LB403. Lincoln Sen. Danielle Nantkes said the issue had already been addressed under federal law.

"LB403 does not achieve a savings of taxpayer dollars," Nantkes said, citing 1996 federal legislation that prohibits illegal immigrants from receiving public benefits.

Omaha Sen. Brenda Council agreed, saying the state Department of Labor has been using the Systematic Alien Verification for Entitlements program for 25 years for unemployment benefit applicants.

"I remain convinced that this legislation is unnecessary," Council said. "The system is in place and the system is already working."

But Scottsbluff Sen. John Harms said his constituents expected action from the Legislature on the issue of illegal immigration.

"They have spoken to us very honestly and very openly," he said, referencing the Judiciary Committee's public hearings held throughout the interim. "I think they would expect for us to go the distance on this."

LB403 advanced to select file on a 45-2 vote.



# A CLOSER LOOK.....

## Preliminary budget report released

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share of the federal stimulus package is approximately \$1.2 billion, but important questions remain regarding how stimulus funds will impact the budget process. Key issues include final dollar amounts and disbursement schedules, what proportion of funds will be distributed at the state level versus the local level and possible usage restrictions.

The committee report puts the spending growth rate at 2.4 percent per year for the biennium, which is slightly higher than the governor's recommendation of 1.8 percent. Both numbers are significantly lower than the pre-session estimate of 4.6 percent.

The difference between the governor's proposed budget and the preliminary budget amounts to approximately .75 percent of the total general fund budget over the two-year period.

The differences can be attributed to increases in provider rates, increased education funding, increases in state employee salaries and health insurance expenditures and lower base cuts in agency budgets.

Among the significant adjustments from the current biennium recommended by the committee are the following:

- a \$100 million increase in state aid to schools;
- a \$35 million increase in state salaries;
- a \$24.9 million net reduction in homestead exemption reimbursements;
- a \$24.3 million increase in university and state college aid;
- a \$22.3 million increase in state health insurance;
- a \$20.9 million base reduction to state agencies;
- a \$16.8 million increase in special education funding;
- a \$15 million increase in BSDC funding;
- a \$13.3 million increase in capital construction; and
- a \$6.4 million reduction in children's health insurance (SCHIP).

Several bills comprise the governor's budget package:

- LB315, the mainline budget

bill, would appropriate funds for state government expenses;

- LB311 would provide for deficit appropriations and make certain transfers;
- LB312 would provide appropriations for legislative salaries;
- LB313 would appropriate funds for the salaries of constitutional officers;
- LB314 would appropriate funds for capital construction;
- LB316 would create and transfer funds; and
- LB317 would make various transfers from the state's cash reserve fund.

The Nebraska Economic Forecasting Advisory Board, whose job is to set annual revenue projections for sales, income, corporate and miscellaneous taxes, met Feb. 27.

The board voted to decrease revenue projections for the current fiscal year by \$81 million, most of which is being anticipated from decreased individual income tax receipts.

For FY2009-10, the board predicts revenues will be \$150 million lower than originally thought. The projection for FY2010-11 was lowered by \$131 million. The board projects revenues for the 2009-11 biennium to total \$7.03 billion.



*Members of the state's economic forecasting board review the latest fiscal projections Feb. 27. From left: Jerome Deichert, Laurence Lanphier and Tonn Ostergard.*

# ISSUES UPFRONT

## Banking, Commerce & Insurance

### Changes in credit report freezes advanced

Lawmakers advanced a bill to select file Feb. 26 that would change provisions relating to credit report security freezes.

LB177, sponsored by Omaha Sen. Steve Lathrop, would repeal a requirement that consumer reporting agencies remove a security freeze seven years after it is initiated. Lathrop said consumers often need at least seven years to clear up a case of identity theft.

The bill also defines the term minor in relation to the Credit Report Protection Act to make it consistent with other state law.

Senators adopted a committee amendment 35-0 to reduce to \$3 the fee that consumer reporting agencies may charge for placing, temporarily lifting or removing a security freeze.

“A security freeze is the strongest tool available to stop identity theft,” Lathrop said. “This bill makes a good tool in the fight against identity theft even better.”

The bill advanced to select file on a 41-0 vote.



*Sen. Steve Lathrop*

### Bill clarifies FDIC coverage of public funds

Lawmakers gave final approval Feb. 27 to a bill that clarifies provisions relating to the deposit of public funds.

Current law requires public fund deposits in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) to be secured either by pledged securities or a guarantee bond.

LB259, sponsored by Hastings Sen. Dennis Utter, clarifies that references to amounts insured by the FDIC also include amounts guaranteed by the FDIC for any law requiring a bank, capital stock financial institution or qualifying mutual financial institution to secure the deposit of public funds in excess of amounts insured by the FDIC.

The bill passed 49-0.

### Committee considers payday lending limitations

Short-term lenders would face new restrictions under a bill heard by the Banking, Commerce and Insurance Committee Feb. 23.



*Sen. Dennis Utter*

LB293, introduced by Lincoln Sen. Danielle Nantkes, would adopt the Short-Term Lenders Act, which would be administered by the state Department of Banking and Insurance. The bill would establish the Financial Literacy Education Fund of \$250,000, administered by the department, to support financial literacy programs. A statewide database of borrowers also would be created under the bill.

Nantkes said the bill would protect the working poor, the elderly and veterans from payday lenders that perpetuate debt. Payday lenders provide short-term loans, often charging \$15 per \$100 loaned, she said.

“Predatory lending and payday lending is hurting our communities,” Nantkes said.

The bill would set license fees for short-term lenders, cap annual percentage rates for short-term lenders at 36 percent, limit loan amounts to \$500 and establish a 35-day limit for borrowers. Under the bill, the state Department of Banking and Finance would develop and implement an online database to determine borrower eligibility. The bill also would require the department to annually review



*Sen. Danielle Nantkes*



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licensees to make sure lenders follow regulations. Violations would result in a Class I misdemeanor.

Mark Pomeroy of Christ for the City International supported the bill. He said payday lenders trap borrowers in a cycle of debt. Pomeroy works with such borrowers to help them set attainable budgetary goals for their families. If payday lenders are allowed to continue operating as they have, he said, their customers' financial obstacles could grow too large to overcome.

"These dreams that these good-hearted people have will be squashed," he said.

Lea Wroblewski of Legal Aid of Nebraska also supported the bill. She said she works with borrowers who are harassed by payday lenders trying to secure payment on loans that never should have been made in the first place.

"Your ability to repay should be considered when loans are being given," Wroblewski said. "Borrowers are completely in over their heads. They are held hostage."

But Patricia Cirillo, a market researcher from Cypress Research Group, said payday lenders provide a service that banks and credit unions cannot because payday lenders do not have the requirements a bank or a credit union would when considering whether or not to grant a loan.

"Operationally, they're just not set up to do this," she said.

Kevin Bernadt also opposed the bill. He owns Cash Solutions, a payday lender in Lincoln. He said his customers are often middle class citizens who have an unexpected expense.

"I've had many customers from all different walks of life," he said.

Rich Horner said the APR cap in the bill would make it impossible for payday lenders to continue operating.

Horner works for Wyoming Financial Lenders, which has 14 lenders in Nebraska.

"This bill is intended to kill our industry," he said.

The committee took no immediate action on the bill.

## Bill would make funding changes to NECHIP

Several funding changes would be made to the Nebraska Comprehensive Health Insurance Pool (NECHIP) Act under a bill heard by the Banking, Commerce and Insurance Committee Feb. 24.

LB358, introduced by Omaha Sen. Rich Pahls, would raise premium rates for NECHIP participants and allow the state Department of Insurance to set health care provider rates at 125 percent of Medicare reimbursement rates. Under the bill, people who apply for NECHIP based on eligibility other than that required by HIPAA would have to exhaust coverage under COBRA. The bill also would require COBRA participation.

NECHIP provides health insurance to Nebraska residents who are unable to obtain it at an affordable price or without restrictions because of a medical condition.

Ann Frohman, director of the department, testified in support of the bill, saying the NECHIP program could be insolvent as early as 2012 if changes are not made.

"We've done as much as we can do administratively," Frohman said. "We absolutely have to have solutions."

Dick Netley serves on the NECHIP board of directors. He testified in opposition to the bill, but stressed that

his testimony did not reflect the views of the board. Netley called the bill a "dubious plan to save money," and said that raising premiums would result in more uninsured Nebraskans.

David Filipi of the Nebraska Medical Association also opposed the bill. He said the 125 percent reimbursement rate would result in fewer physicians participating in NECHIP, as typical reimbursement rates are around 150 to 175 percent.

Bob Rieker of the Nebraska Hospital Association opposed the bill, saying fewer physicians participating in NECHIP would shift costs to hospital emergency rooms, as the uninsured have no other place to go.

"Hospitals, by federal law, are the backstop," Rieker said.

Adam Steffen of Blue Cross Blue Shield testified in a neutral position. He said his company would be willing to negotiate with medical providers and encourage them to agree to voluntary reimbursement reductions of 10 to 15 percent, which he said could result in savings of up to \$3 million annually.

The committee took no immediate action on the bill.



Sen. Rich Pahls

## General Affairs

### Bills would allow alcohol in state parks

The General Affairs Committee heard joint testimony Feb. 23 on two bills that would lift a 14-year-old ban on alcohol consumption on lands owned and operated by the Nebraska Game and Parks Commission.

Introduced by Tekamah Sen. Kent Rogert, LB478 would allow alcohol consumption at parks and recreational sites owned and operated by Game and Parks.



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LB576, also introduced by Rogert, would allow Game and Parks to set rules and regulations regarding alcohol consumption and issue licenses for alcohol sales at designated locations within the state park system.

Rogert said all neighboring states allow alcohol consumption in state parks and that Nebraska loses revenue by being the only state in the region with a total ban.

"We have a great park system in the state of Nebraska," he said, adding that his bill would encourage more Nebraskans to use the park system.

Rogert said sales of park permits dropped by approximately 10,000 the year after the alcohol ban was implemented and have declined ever since.

Jim Pappas testified in favor of the measures, saying they would help bring young people to the state's recreation areas. Young campers tend to purchase their supplies from local vendors, he said, which would mean more business for those who sell food, firewood, bait and fishing licenses. He said the north side of Lake McConaughy is in particular need of development.

"It's like a ghost town," Pappas said.

But opponents expressed concern about enforcement and safety.

Former Game and Parks employee Dick Turpin said the situation in the mid-90s was so bad that the state briefly considered calling in the National Guard to some of the parks. People brought pickup loads of beer to Lake McConaughy, he said, and law enforcement was outnumbered.

Turpin said a park sticker should imply a certain level of protection

for those enjoying the park system, something law enforcement wouldn't be able to assure if the alcohol ban were lifted.

Diane Riibe of Project Extra Mile agreed.

"We're at a critical stage in regard to law enforcement capacity," she said. "We can't ramp up what we don't have."

Robert Tichota of Blair, a campground host for more than 12 years, said parks deal with a host of alcohol related problems even though alcohol is officially banned. Families go to the parks to get away from the "hustle and bustle" of the city, Tichota said, so the safety and tranquility of parks should be protected.

Roger Kuhn, assistant director of the Nebraska Game and Parks Commission testified in a neutral capacity.

Kuhn said it is important to remember that there were no restrictions on alcohol consumption in state parks prior to the ban. Alcohol could be consumed 24-7, anywhere on the property.

"We all know that we have had problems in the past," Rogert acknowledged. "And a few bad apples ruined it for the bunch."

Rogert said some restrictions likely would be needed and would be welcomed under his proposal.

"This bill leaves a lot of room for rules," Rogert said.

The committee took no immediate action on either measure.

## More citizen input sought for liquor license applications

Neighborhood residents could have a greater impact on liquor license applications under a measure heard Feb. 23 by the General Affairs Committee.

LB605, introduced by Omaha

Sen. Gwen Howard, would allow additional weight to be given to support or opposition from businesses and residents located within 500 feet, and neighborhood associations located within 100 feet, of a liquor license applicant's potential place of business. The Liquor Control Commission could use this input as the sole reason to deny a license.

Howard said residents in her district are concerned by the number of off-sale liquor locations in their communities and are seeking greater input in the granting of liquor licenses.

"My constituents feel that, no matter what they do, the process is stacked against them," she said. "More liquor outlets are not the kind of economic development needed in established neighborhoods and communities."

Under the bill, a liquor license would terminate upon the sale of the premises holding the license. A purchaser would be required to obtain a new license, and the commission would no longer issue temporary agency agreements.

Howard said the commission frequently issues temporary agency agreements that transfer liquor licenses from one owner to another when a business changes hands, while the new owners' application is being processed.

Problems arise, Howard said, because the license remains in the previous owner's name, although they no longer own the business. Liquor licenses should not transfer with ownership, she said.

"That is directly contradictory to what the Legislature has set out in statute," Howard said.

The bill also would prohibit alco-



Sen. Kent Rogert



Sen. Gwen Howard

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hol storage in any retail business that does not hold a liquor license and all applicants for a license would be required to document that they are current on all federal, state, local and workers' compensation taxes.

"It should be required that one be a responsible member of the community," Howard said.

Diane Riibe of Project Extra Mile testified in support of the bill, saying her organization has long supported the elimination of temporary agency agreements.

"They are essentially an agreement with no one," Riibe said. "It's a practice that is easily abused."

Margie Magnuson of the Alcohol Impact Coalition also testified in support.

Magnuson said her organization, a coalition of 12 Omaha neighborhood organizations, is seeking a greater voice in their neighborhoods' futures and said they have been frustrated in dealing with the Liquor Control Commission when protesting applications.

"The business interests trump what the citizens want," she said. "We're a minor consideration."

Jan Quinley, an east Omaha resident, agreed.

"The citizen is treated as though we are the nuisance," she said. "The law is very specific. A liquor license is a privilege, it's not a right."

Jack Cheloha, lobbyist for the city of Omaha, also testified in support of the bill, saying it would empower neighborhoods. The Omaha City Council unanimously supported provisions for greater citizen input and prohibitions on allowing alcohol storage at locations without a liquor license, he said.

Kathy Siefken of the Nebraska Grocery Industry Association testified in opposition.

Siefken acknowledged the frustra-

tion felt by neighborhood residents, but said the state should not pass laws based solely on an Omaha problem.

"This isn't the state of Omaha," she said. "It's the state of Nebraska."

Siefken said the bill's provisions, while aimed at a few bad actors, would negatively impact law-abiding businesses and communities across the state.

Executive director of the Nebraska Liquor Control Commission, Hobert Rupe, testified in a neutral capacity. He said temporary agency agreements are problematic and that the commission would prefer to be granted authority to issue temporary licenses instead.

Rupe said the commission cannot take into consideration the density of liquor licenses in a particular area, because the Nebraska Supreme Court has declared such considerations unconstitutional unless license density can be directly tied to an increase in crime.

The committee took no immediate action on the bill.

## Government, Military & Veterans Affairs

### Military Department and National Guard changes proposed

The Government, Military and Veterans Affairs Committee heard testimony Feb. 26 on a bill that would change provisions relating to state Military Department personnel and National Guard member peace officer powers.

Under LB550, sponsored by Lincoln Sen. Bill Avery, the state Military Department would consist of:

- an adjutant general with a

minimum grade of lieutenant colonel;

- one deputy adjutant general, chief of state or deputy director with a minimum grade of colonel;
- one assistant director for Nebraska Emergency Management Agency affairs; and
- other officers and enlisted personnel in the number and grade as prescribed by U.S. Army and U.S. Air Force personnel documents.

Avery said the current rank structure limits the ability of some personnel to advance in rank.

The bill also would extend law enforcement authority to Nebraska National Guard members serving federal Title 32 U.S. Code status and to National Guard members from other states and territories while in active service to Nebraska.

Avery explained that Title 32 allows the federal government to use National Guard members for large-scale disasters and other emergencies under federal, rather than state, authority. Recent examples of Title 32 actions include assistance missions following hurricanes Katrina and Gustav, he said.

Col. Doug Wilken, testifying on behalf of the Nebraska National Guard adjutant general, testified in support of the bill.

Since 9/11, guard troops have been called upon to serve numerous missions throughout the U.S., Wilken said, and recent multi-state missions have highlighted challenges created when status limits the National Guard's authority to accomplish a mission.

For example, troops sent to Loui-



Sen. Bill Avery

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siana following Hurricane Katrina needed law enforcement authority to accomplish their mission, but Louisiana law was unclear on whether that authority was granted to troops from other states, he said.

LB550 would remove that ambiguity for Nebraska National Guard troops serving under federal Title 32 U.S. Code status, Wilken said.

The bill also provides that the governor be required to grant law enforcement authority to Nebraska National Guard members on state active duty orders in a state status, and he or she could limit such authority as necessary.

Currently, law enforcement authority is automatically granted to Nebraska National Guard members on state active duty status and cannot be modified.

Wilken said guard members often do not require police powers to perform their missions, and the bill would allow the governor to limit such powers when needed.

There was no opposition testimony and the committee took no immediate action on the bill.

## Health and Human Services

### Bill removes adoption barrier

A bill that allows the state-subsidized adoption of children in subsidized guardianships received final approval Feb. 27.

LB91, sponsored by Omaha Sen. Gwen Howard, allows subsidized guardians to adopt children



Sen. Gwen Howard

under certain circumstances. Under the bill, post-adoption assistance will mirror the previous guardianship assistance if:

- the adoption ends the court's involvement;
- the child becomes a legal member of the family and the guardian assumes full parental rights and responsibilities; and
- there is no danger of another party petitioning for custody or visitation rights.

Lawmakers passed the bill 49-0.

### Oversight proposed for community-based disability services

The Health and Human Services Committee heard testimony Feb. 25 on a measure meant to clarify the duties of the state Health and Human Services Department's director of developmental disabilities.

LB291, introduced by Omaha Sen. Steve Lathrop, would clarify that the director's duties include providing appropriate oversight of individuals who receive community-based developmental disability services in Nebraska.



Sen. Steve Lathrop

The bill also would require HHS to adopt initial rules and regulations no later than Sept. 1 in regard to the care, safety and habilitation of those receiving community-based services.

Lathrop said the bill would instill confidence in community-based services, something that is lacking among families of persons with disabilities in Nebraska. Given the current focus on moving individuals with developmental disabilities from institutional to community-based care, the state needs to make sure such

programs are providing for people's health and safety, Lathrop said.

Carla Sorensen, testifying on behalf of the Nebraska Association of Service Providers, opposed the bill, saying the context within which it was introduced has changed.

Providers received a draft of new regulations from HHS on Feb. 23, Sorensen said, adding that it would be premature to require the department to formulate a new set of rules before implementing the current set.

Dave Merrill, director of Region V Services, testified in a neutral capacity, noting that community-based providers are currently subject to over 2,600 state regulations by virtue of doing business in Nebraska.

Lathrop acknowledged that HHS had, "by coincidence or by design," released a set of regulations since his bill was introduced, but said that did not negate the bill's necessity.

"There's no harm in making sure that [the regulations] go from this stage to being implemented," he said.

The committee took no immediate action on the bill.

### Developmental disability reimbursement change proposed

Community-based developmental disability service reimbursement would change under a bill heard Feb. 25 by the Health and Human Services Committee.

Under LB390, introduced by Lincoln Sen. Colby Coash, community-based developmental disability services funded through the state Health and Human Services Department's developmental disabilities division would



Sen. Colby Coash



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be reimbursed on a daily rather than an hourly basis.

Coash said he sponsored the bill because the current system is not working.

Providers need to focus on quality of care rather than auditing hourly service provision, he said.

"The rate stays the same," Coash said. "The bill will be cost neutral and a way for providers to focus more on doing their jobs."

He said daily reimbursement is used to receive payment from HHS by child welfare, nursing homes, hospitals and assisted living centers.

"Daily reimbursement is not uncommon in the department," Coash said.

Roger Stortenbecker, testifying on behalf of Developmental Services of Nebraska, supported the bill, saying providers are currently using a mix of monthly, daily and hourly units for reimbursement.

"We're trying to have one foot in three different kinds of funding," he said. "It's caused a lot of confusion."

ENCORE director Bob Brinker agreed.

Hourly payment is difficult to track and manage, he said, because an individual's needs and circumstances change each month. All neighboring states have a system of per diem reimbursement, he said.

"Per diem is the standard and the one that makes the most sense," Brinker said.

There was no opposition testimony and the committee took no immediate action on the bill.

## Bill would expand disability program

The Health and Human Services Committee heard testimony Feb. 25 on a bill that would expand the state's

disabled persons and family support program.

Under LB590, sponsored by Ewing Sen. Cap Dierks, financial compensation for family caregivers and reimbursement for special foods and medical needs would be covered by the program. Special foods and medical needs are defined as those purchased specifically for a disabled family member that are different from what would otherwise be purchased by a family.

Under the bill, a family caregiver would be compensated at a higher rate than a salaried state employee for similar work done at a state facility. The caregiver and his or her family would be eligible for health insurance as if the caregiver were a full-time state employee. Family caregivers also would be exempt from the act's \$300 per month compensation limit.

Dierks said the bill would ensure that individuals are able to care for disabled family members who cannot be served elsewhere.

"We need to help family members who are willing to stay home and care for their loved ones," he said.

Dee Shaffer, whose son is severely disabled, testified in support of the bill. She said it would provide coverage for specialized goods and services her son needs, including chiropractic care, acupuncture and organic foods.

"He can't use most products or drugs because he's allergic to them," she said. "Food costs are very high because we're limited to what he's not allergic to."

Tim Kolb, executive director of the Kolb Foundation for Disability



Sen. Cap Dierks

Education, also supported the bill, saying it would provide important resources to allow severely disabled Nebraskans to remain in their own homes and communities.

Kolb said having a severe disability does not mean that a person necessarily requires daily medical care or needs to live in a medical facility, even if the individual requires complex care. When disabled individuals are institutionalized, they lose important daily contact with family members, he said, and the state loses that individual as a wage earner and taxpayer.

"You can't acquire and hold a job if you're residing in a nursing home," Kolb said.

Vivianne Chaumont, HHS director of Medicaid and long-term care, testified in opposition, saying the bill would significantly change the nature of the state's disabled persons and family support program.

The program was established to provide supplemental support of up to \$300 per month for personal care, transportation and other expenses incurred for the in-home care of low income disabled individuals, she said.

Currently, the program is funded entirely through a \$910,000 appropriation from the Legislature and served 639 people in 2008, Chaumont said. Passage of LB590 would require either a sharp reduction in the number of individuals served or a significant increase in expenditures, she said. Departmental estimates indicate that only 19 individuals could be served with existing funds, Chaumont said, and fully funding the program for all eligible individuals would require a commitment of over \$20 million per year in state funds.

The committee took no immediate action on the bill.

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## Judiciary

### Bill would make records of disciplinary action public

A bill heard Feb. 26 by the Judiciary Committee would make public the records of disciplinary action against various law officers and education employees.

Lincoln Sen. Bill Avery, sponsor of LB144, said disclosures of such action are in the public's best interest.

"This bill is about openness and accountability," he said. "It's not about going after anybody."



Sen. Bill Avery

Under the bill, any final personnel record of disciplinary action against employees with the authority to arrest, including local police, sheriffs and state patrol officers, would be made public if they involve physical or sexual abuse.

The bill also would make public any record of disciplinary action involving violations of school district policies or state law against teachers, administrators and full-time employees of any public school district.

Avery offered an amendment to the committee that would narrow the education records to those dealing with only physical or sexual abuse.

Koby Gilbertson of the Nebraska State Patrol testified in opposition to the bill. She said the patrol would like to keep records involving internal affairs investigations private because they contain sensitive information.

Jack Cheloha, lobbyist for the city of Omaha, also opposed the bill. He said if action rose to the level of a criminal offense, as it would in cases of physical or sexual abuse, the of-

fender would be charged and that would gain publicity.

"We think it's maybe a solution looking for a problem," he said.

The committee took no immediate action on the bill.

### Committee considers sports agent regulation

Sports agents seeking to represent student athletes would have to register with the state under a bill heard by the Judiciary Committee Feb. 26.

LB292, introduced by Omaha Sen. Steve Lathrop, would require registration, certification and background checks of sports agents seeking to represent intercollegiate athletes. The process would be administered by the secretary of state.

Under the bill, student athletes would be able to opt out of an agreement within 14 days of signing. The director of the school's athletic department would have to be notified when a student athlete enters a contract with a sports agent.

"This is necessary to protect young people," Lathrop said.

Tom Osborne, UNL athletic department director, testified in support of the bill. He said currently sports agents in Nebraska do not have to provide any credentials when seeking to represent students. This lack of accountability has led some student athletes into financially ruinous contracts with disreputable sports agents.

"It would expose those who have no credentials and are making promises that simply can't be kept," Osborne said.

The committee took no immediate action on the bill.



Sen. Steve Lathrop

### Bill proposed to fill gaps discovered by safe haven bill

Parents could request behavioral health services from the state while maintaining custody of their children under a bill heard by the Judiciary Committee Feb. 25.

Fullerton Sen. Annette Dubas, sponsor of LB356, said the bill would reduce the number of parents who feel they must legally transfer custody of their children to the state so that they may receive behavioral health services.



Sen. Annette Dubas

Dubas said she introduced the bill to address gaps in access to children's behavioral health services brought to light by the state's 2008 safe haven law.

"[Those families] paint a portrait of desperation," Dubas said. "They illustrate how a lack of good care early on can create problems."

Under the bill, parents could request temporary behavioral health services from the six behavioral health regions in the state. A child would be assessed by the state Department of Health and Human Service's division of behavioral health. A treatment plan would be created and an updated plan would be agreed upon after 90 days of services. If there is disagreement about the plan, court oversight would provide direction.

Dubas said families who lack insurance plans covering mental health services can find services for their children only through relinquishment of custody. Making a child a state ward is not the best way to resolve mental health issues, she said.

"Most often, parents are the children's best and most ardent advocates," she said. "They need to be involved."

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Bill Dunn of Grand Island testified in support of the bill. His son, Michael, has been diagnosed with several mental disorders. After the Dunn's insurance ran out, they relinquished custody to get access to state mental health care services. He said he understood the unintended consequences of the safe haven law.

"Last year's news was jaw dropping to many parents," he said. "But not to us. We've cried their tears."

Megan Byars also testified in support of the bill. Now 23, Byars recalled the trauma of her parents' decision to make her a state ward when she was nine in order to cover the cost of a residential treatment center.

"At nine years old, a child doesn't understand the system," she said. "I cried all night wondering why my parents gave me away."

Scot Adams, director of the department's division of behavioral health, opposed the bill, saying undefined language made the proposed process confusing. He said the court oversight outlined in the bill would expand government intrusion into families.

"This bill could encourage parents to agree with other parties in order to avoid court involvement," he said.

The bill's fiscal note estimates an increased cost of \$82 to \$119 million for the next fiscal year.

Dubas said that estimate likely was excessive because it is based on a national prevalence survey calculating for 10,200 children at the highest level of care. She said the state would end up paying the cost in the long run as untreated children became adults with even more expensive mental health issues.

The committee took no immediate action on the bill.

## Bill would allow anti-bias agency to file court actions

A bill heard Feb. 27 by the Judiciary Committee would allow the Nebraska Equal Opportunity Commission (NEOC) to file petitions regarding fair housing laws if the state attorney general declines to file action.

Under LB442, sponsored by Omaha Sen. Brenda Council, the NEOC would be allowed to file actions regarding the Nebraska Fair Housing Act if the attorney general has not filed a petition 30 days after receiving authorization from the commission.

Council said she introduced the bill to resolve an issue between the NEOC and the state attorney general.

The Department of Housing and Urban Development cut off funding for the NEOC in April of last year because so few of the cases referred to the attorney general were being pursued in court. The NEOC receives about \$2,400 per investigation from the federal government.

In June, the two state agencies signed a memorandum of understanding allowing cases to be referred to private lawyers if "the attorney general's resources may be insufficient to pursue all or part of the case." After the agreement was reached, federal funding was restored.

But Council said she is concerned that memorandum did not go far enough in resolving the issue, especially because it does not bind future attorneys general.

Anne Hobbs, executive director of NEOC, supported the bill, saying the commission lost \$127,000 during the federal funding cutoff period.



Sen. Brenda Council

"This is really meant to prevent the state from losing any funds in these tough economic times," she said.

Tim Butz, assistant director of the Fair Housing Center of Nebraska, also supported the bill. He said the issue went beyond loss of funds.

"I'm worried about the people who are denied their rights," he said.

Assistant Attorney General Dale Comer testified in opposition to the bill. He said the bill is unconstitutional because it takes away the powers of a constitutional officer. The attorney general, or someone designated by the attorney general, is the only person who can file actions on behalf of the state, he said.

Chief Deputy Attorney General David Cookson also opposed the bill, saying it is unnecessary because of the June agreement.

"What we'd like to do is not focus on these contentious back and forth issues, but focus on making good cases," Cookson said. "We worked out a good deal."

The committee took no immediate action on the bill.

## Natural Resources

### Roadside trapping bill advances

Members of the Legislature passed a bill Feb. 27 that permits the placement of traps in county road rights of way.

LB5, introduced by Imperial Sen. Mark Christensen, repeals the 2007 ban on trapping in county road ditches. Counties may opt out



Sen. Mark Christensen



# ISSUES UPFRONT.....

of the provisions of LB5 or prohibit trapping only in certain areas.

No traps larger than those allowed by the Game and Parks Commission as of Feb. 1, 2009, may be placed in rights of way.

LB5 was approved by the Legislature 30-18.

## Public power representation bill passes

A bill passed Feb. 27 changes the composition of public power district boards.

LB53, introduced by Valentine Sen. Deb Fischer, eliminates separate rules for public power districts operating in fewer than 50 counties. Areas with public utilities that purchase less than half their energy from public power districts no longer have representation under the bill.



Sen. Deb Fischer

Lincoln and select cities in Lancaster County, that receive electricity from Lincoln Electrical System, are among those affected by the bill. Lancaster County currently has two seats on the Nebraska Public Power District board. LES customers will lose its representation because the utility fails to procure at least 50 percent of its energy from the district.

LB53 passed on a 41-5 vote.

## State proposal for issuing permits considered

Nebraskans could apply for certain infrastructure permits with the state Department of Environmental Quality under a bill heard by the Natural Resources Committee Feb. 27.

LB504, introduced by Schuyler

Sen. Chris Langemeier, would grant the department authority to issue permits for the discharge of dredged or fill material as addressed in Section 44 of the federal Clean Water Act.

Langemeier said those with infrastructure projects such as dams, dikes and bridges are having difficulty completing their projects because they are not being issued 404 permits, which are administered by the Nebraska office of the U.S. Army Corps of Engineers.

Although the bill carries a fiscal note of approximately \$1 million, Langemeier said reducing costs due to project delays in the Army Corps permit process may negate immediate fiscal impacts.

John Miyoshi, representing the Nebraska Association of Resources Districts, testified in support of LB504. He said the approval process for permits is "stagnating" and could result in the loss of money for projects funded by outside sources.

Mary Harding, executive director of the Nebraska League of Conservation Voters, testified in a neutral capacity. She said some grant-funded conservation projects have been delayed for a year while waiting for 404 permits. Project extensions often must be secured as entities wait for permits, she said.

No one testified in opposition and the committee took no immediate action on the bill.



Sen. Chris Langemeier

## Revenue

### Chewing tobacco taxation bill advances to final reading

A bill affecting the taxation of chewing tobacco was advanced to final reading by the Legislature Feb. 27.

As amended, LB89, introduced by Bellevue Sen. Abbie Cornett, would place an excise tax of 40 cents per ounce on snuff.

Under the bill, "snuff" is defined as any finely cut, ground or powdered tobacco that is not intended to be smoked.



Sen. Abbie Cornett

Chewing tobacco is currently taxed at 20 percent of its wholesale price.

During select file debate, Cornett offered an amendment that would increase the excise tax on snuff from 40 cents per ounce to 44 cents per ounce. The amendment, she said, would ensure that the bill remains revenue neutral.

Omaha Sen. Mike Friend opposed Cornett's amendment. He said leaving the bill unchanged would help fight government spending by decreasing revenues available for the appropriations process.

"You fight government spending on the revenue side," Friend said. "It's very difficult to fight government spending on the back end, you do it on the front end."

Cornett's amendment was adopted by a 26-4 vote.

Platte Center Sen. Arnie Stuthman offered an amendment that would require the state Department of Revenue to provide annual reports to the Revenue Committee detailing

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the fiscal impact of LB89.

Stuthman said the attorney general would be provided with a copy of the report to prevent unfair trade practices and monopolization of the snuff business.

"I would like to have some data on this that would show us in the legislative body that we have done the right thing," Stuthman said.

Cornett opposed the amendment, saying it would be an undue reporting requirement for the department.

"All the information that you are requesting here is already available," Cornett said.

Stuthman's amendment failed on a 4-20 vote, and LB89 was advanced to final reading on a voice vote.

## Improvements for property valuation appeals sought

Three bills heard by the Revenue Committee Feb. 26 would alter how property valuation appeals are executed.

LB212, LB213 and LB580, all introduced by Bellevue Sen. Abbie Cornett, among other provisions, would:

- allow the Tax Equalization and Review Commission to hear certain appeals with a single commissioner (LB212);
- increase from \$25 to \$50 the filing fee for each appeal or petition filed with the commission (LB213);
- allow interested persons to become parties to matters before the commission (LB213); and
- change the standard of review on appeals before the commission (LB580).

The single commissioner hearing process would be available only on residential properties valued at less than \$1 million. Decisions given at these hearings would be final unless a

request for a rehearing is made within 30 days, and any party to an appeal could elect to have their appeal heard by a panel of the commission.

The single commissioner hearings would be informal, and usual common law or statutory rules of evidence would not apply.

Bill Warnes, chairman of the Tax Equalization and Review Commission, testified in support of single commissioner hearings. He said LB212 would allow taxpayers to protest their valuations without having to make their case in a formal setting. Furthermore, he said, single commissioner hearings could handle all residential appeals in 10 weeks.

"You don't need three commissioners to listen to a residential property case," Warnes said.

Bill Peters of Lincoln testified in opposition to the increased filing fees and intervention provisions of LB213. The current economic climate should give pause when increasing filing fees to \$50, he said. In addition, he said, the bill could allow school districts and other entities with an interest in property tax valuations to intervene in protests.

"A tax case is between a tax official and taxpayer," Peters said.

Jim Cunningham, executive director of the Nebraska Catholic Bishops Conference, shared Peters' concern regarding possible interventions. He said LB213 would make protests cumbersome due to the ease with which persons could claim to be a party of interest.

"I think that portends an appellate free-for-all," Cunningham said.

The committee took no immediate action on the bills.

## Transportation districts proposed for road construction

Cities and counties would have the option of creating a district that funds

road construction bonds through a local sales tax under a bill heard by the Revenue Committee Feb. 25.

LB536, introduced by Platte Center Sen. Arnie Stuthman, would allow cities and counties to create transportation development districts, which would have a sales tax of an additional 1/8, 1/4 or 1/2 percent, to finance bonds issued for the improvement or construction of roads, bridges and related transportation structures.



Sen. Arnie Stuthman

Stuthman said the bill would create a tax on retail sales to pay for road improvements in the area. In addition to capturing existing sales tax in the community, he said, the bill would finance improvements that would help bring in new businesses to communities.

K.C. Belitz, president of the Columbus Area Chamber of Commerce, testified in support of the bill. He said transportation districts would give cities a tool for retail development and provide funds for necessary transportation infrastructure projects.

Although chamber of commerce organizations are generally opposed to additional taxes, Belitz said, LB536 is limited in scale and scope to affect only those areas that need transportation development. He said companies check community amenities, and transportation districts would encourage these enterprises to choose Nebraska communities.

"In a nation where the vast majority of the population will live on the coasts in the fairly near future, we in rural Nebraska want to have every tool available to develop retail in communities," Belitz said.

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Jack Cheloha, representing the city of Omaha, testified in support of the bill. He said transportation districts provide a precise and innovative way for funding improvements.

"These things are more narrowly focused to pinpoint an area and develop it," Cheloha said.

Cheloha suggested the bill might be expanded to fund improvements such as streetcars. Omaha is considering streetcar development, he said, and transportation districts could provide a funding mechanism for that project.

Lynn Rex, representing the League of Nebraska Municipalities, also testified in support of the bill. She said every state neighboring Nebraska has a concept similar to transportation districts.

Municipalities are critical to economic growth, Rex said, and many are restricted in what they can offer for improvements because half of Nebraska municipalities are up against their levy lids.

"There is development in this state that is not occurring because cities don't have the funds," Rex said.

No one spoke in opposition, and the committee took no immediate action on the bill.

## Transportation and Telecommunications

### Street legality of low-speed vehicles considered

Owners of select low-speed vehicles would be permitted to drive their vehicles on Nebraska roads under three bills heard by the Transportation and Telecommunications Committee Feb. 24.

Under LB109, introduced by Teka-

mah Sen. Kent Rogert, low-speed vehicles, all-terrain vehicles (ATVs) and minitrucks would be permitted outside corporate limits of cities for agricultural purposes, or within corporate limits if authorized by local ordinance. The vehicles would be allowed on public roads from sunrise to sunset.



Sen. Kent Rogert

The bill would expand the definition of ATVs to include vehicles designed for no more than three passengers and define a low-speed vehicle as one that cannot exceed 25 mph.

Rogert said he introduced his bill to help farmers, who often use ATVs and other low-speed vehicles in their operations.

LB114, introduced by Ellsworth Sen. LeRoy Loudon, is similar to Rogert's proposal, but it would apply only to the use of minitrucks on rural roads if authorized by a local ordinance.

Minitrucks would not, however, be permitted to operate on controlled-access highways with more than two marked traffic lanes.

Minitrucks, as defined in Loudon's bill, are vehicles with:

- widths no more than 67 inches;
- weights less than 3,400 lbs;
- top speeds of approximately 55 mph;
- four or more tires;
- a bed or back compartment for hauling purposes;
- an enclosed passenger cab; and
- engines less than 1,000 cubic centimeters.

Drivers would not be required to register or title the vehicles.

Loudon said minitrucks are advantageous to farmers, because the vehicles can travel up to 40 miles per gallon.

"Other states are allowing these vehicles, and I feel that it is time for Nebraska to comply," Loudon said. "These trucks are a good option for agricultural use."

LB650, introduced by Imperial Sen. Mark Christensen, would permit the use of minitrucks on all Nebraska roads except interstate highways, controlled-access highways and expressways.

Christensen's bill would define minitrucks in the same manner as LB114, though it also would require minitruck owners to title, register, insure and license their vehicles. In addition, it would mandate that minitrucks operate with headlights and taillights activated.

Christensen said his bill would treat minitrucks like any other vehicle.

"It would be identical to your car now," Christensen said. "[LB650] would just bring [minitrucks] up to car status."

Aside from Christensen's bill, no bill heard by the committee garnered testimony from either proponents or opponents, although there was neutral testimony.

Fred Franklin of Oakland testified in support of LB650. He said minitrucks have adequate safety measures, as newer models have side-airbags. The length of the car, which is two feet shorter than a Toyota Corolla, and the height of the cab, which is more than 6-feet tall, suggest the vehicles will not be drastically smaller than current cars, he said.

"These vehicles are very visible, because they are not something that sits really low to the ground," Franklin said.

Further, he said, the emissions standards that minitrucks have to meet in Japan are more stringent than U.S. standards.

Keith Wasem, CEO of Easy Lawn, Inc., in Aurora, also testified in support of LB650. He said his company uses minitrucks with spray units.



# ISSUES UPFRONT.....

The fuel efficiency advantages of the minitrucks, however, are negated when they must be transported to work sites on other vehicles, he said.

No one testified in opposition, and the committee took no immediate action on any of the bills.

## Specialty license plate program advances

A bill offering a program for specialty license plates advanced to select file Feb. 26.

LB110, introduced by Valentine Sen. Deb Fischer, would provide for specialty license plates administered by the state Department of Motor Vehicles. As introduced, the bill would:

- permit the printing of specialty plates for qualified nonprofits if 150 prepaid applications for the plates have been collected;
- offer specialty plates to qualified organizations for \$100 per plate, of which \$15 would go to the DMV cash fund and \$85 to the highway trust fund;
- increase personalized message plate fees from \$30 to \$60 and of Nebraska Cornhusker Spirit plates from \$70 to \$100, with additional proceeds directed to the highway trust fund;
- eliminate the spirit plate proceeds fund, which establishes endowments to provide scholarships for former university athletes and financial support for academic service units of athletic departments; and
- direct an existing \$5 fee associated with military license



Sen. Deb Fischer

plates, such as POW or Pearl Harbor survivors, to the Nebraska veteran cemetery system fund.

Fischer said the department would work with organizations to design plain, generic plates that would have room allocated for the organization's symbol or seal.

A Transportation and Telecommunications Committee amendment was offered that decreased the fee proposed for specialty license plates from \$100 to \$70 and raised the number of prepaid applications required to 500. The amendment also proposed to limit personalized message plate fees to \$40, as opposed to \$60.

The amendment also struck several elements of the original bill, including:

- a requirement that qualified organizations for specialty plates not promote a specific religion, faith or anti-religious belief;
- an increase in fees for Nebraska Cornhusker Spirit plates; and
- termination of the spirit plate proceeds fund, which instead would receive 57 percent of fees generated by Nebraska Cornhusker Spirit plates until the fund is credited \$5 million, after which proceeds would be directed to the highway trust fund.

Fischer said the amendment would put specialty plate costs in line with spirit plates. Furthermore, the increase in the number of applicants required for plate production would ensure that only legitimate organizations are afforded specialty plates, she said.

Fischer said the \$40 fee for personalized message plates would be fair because the plates are optional.

"Those who choose to use regular Nebraska license plates, as I do, [pay] \$6.50. It is a choice when people want the specialty plates," Fischer said.

The amendment was adopted on

a 36-0 vote.

Omaha Sen. Jeremy Nordquist offered an amendment that would have directed 57 percent of funds generated by specialty plates issued to public or private colleges and universities to the Nebraska scholarship fund. The other 43 percent would be directed to the DMV cash fund.

Fischer opposed the amendment, saying other organizations also would want to direct funds derived from their specialty plates if the Nordquist amendment passed.

"I don't believe that license plates should be a bake sale for funding an organization," Fischer said.

York Sen. Greg Adams also spoke in opposition to the Nordquist amendment. He said license plates fees are user fees that fund roads, and these proceeds should not be used to fund other activities.

"I'd love to see funds rain from all over to education, scholarships and K-12," Adams said. "What I don't want to see is education robbing roads, any more than I want to see roads robbing education."

Nordquist's amendment failed on a 10-23 vote, and LB110 advanced to select file 30-4.

## Debate begins on driver's license scanning bill

A bill permitting the scanning and storing of information collected from driver's licenses was debated by the Legislature Feb. 26.

LB261, introduced by Tekamah Sen. Kent Rogert, would permit retailers selling alcohol, tobacco or lottery tickets to collect and store driver's license numbers and state identification numbers by scanning barcodes on the back of their customers' identification cards. The bill also would permit the storage of license and ID card holders' ages.

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The information would be used by law enforcement for the purpose of enforcing restrictions on age-sensitive products. The bill would not permit retailers to sell the information gleaned from the documents.



Sen. Kent Rogert

The programmer for computer software designed to store such information would have to certify to the retailer that the software is capable of storing only the allowed information. Intentional or grossly negligent programming which allows for the storage of more than the age and identification number would be a Class IV felony.

An amendment offered by the Transportation and Telecommunication Committee would extend Class IV felony charges to anyone who trades or sells machine-readable information from the licenses or IDs and strike a section of the bill that would permit a retailer to store additional information with the written authorization of the license or identification card holder.

Finally, the committee amendment would dictate that once information is scanned and stored, it may be used under limited circumstances, including:

- stopping transactions with underage buyers;
- protecting against fraud or unauthorized claims;
- resolving a dispute or inquiry by the license holder; and
- providing information to a consumer reporting agency subject to the federal Fair Credit Reporting Act.

Rogert said every state except Nebraska has passed a law permitting the scanning and storing of license information for various purposes. His

bill would help retailers identify minors trying to buy alcohol and locate those procuring for minors, he said.

Under LB261, Rogert said, retailers would be able to implement software that would immediately stop a transaction if an ID is detected to be fraudulent or the holder is not of the appropriate age to purchase the product in question.

Omaha Sen. Tom White spoke in opposition to LB261. He said the bill would not prevent underage drinking because those procuring for minors could circumvent detection by keeping the receipt.

White also questioned whether the bill would impede citizens' right to privacy.

"The first right to a citizen in a free society is privacy and the right to be left alone," he said. "Those types of infringements on personal liberty always start with the best of intentions."

Malcolm Sen. Ken Haar voiced concerns regarding the safety of the information stored under LB261.

"There is absolutely no way to keep computer information absolutely secure," Haar said, adding that even information shared between checkout counters in a store can be intercepted.

Lawmakers adjourned before taking a vote on the committee amendment or the bill. LB261 remains on general file.

## Bill seeks to fix the gas tax rate

Drivers would pay a fixed fuel tax under a bill heard by the Transportation and Telecommunications Committee Feb. 23.

LB320, introduced by Omaha Sen. Mike Friend, would fix the motor fuel tax at 26 cents per gallon, whereas the current motor fuel tax provides for a 12.5-cent fixed tax and a variable

gas tax set by the state Department of Roads, which presently stands at 13.9 cents.

"We are a rare state in regard to variable taxation of motor fuels," Friend said.

Under the bill, revenues collected from the 26-cent tax would be distributed as follows: 73 percent to the department; 13.5 percent to counties; and 13.5 percent to cities.



Sen. Mike Friend

Nebraska Department of Roads director John Craig testified in support of the bill. He said the bill would establish a flat tax rate based on 2008 gas tax levels.

"With the current system and under LB320, two things can occur: more funds can be generated or less," Craig said. "It could go either way. The question is how to project into the future."

Lloyd Todd, representing the Nebraska Chamber of Commerce, testified in opposition to the bill. He said he feared that removing the variable gas tax could lead to the necessity of general fund appropriations, requiring roads to compete with education and Medicaid for funding.

"There are a lot of competing interests for general fund dollars, and we are concerned about that," Todd said.

Jay Rempe of the Nebraska Farm Bureau also testified against the bill. He said the ethanol industry has created a greater reliance on roads by agricultural producers, making rural roads more important than ever.

"Our fear is ... roads in rural areas might go unfunded," Rempe said.

The committee took no immediate action on the bill.

# ISSUES UPFRONT.....

## Road bonding proposal heard by committee

Some high-priority Nebraska road projects would be funded by bonding under a bill heard by the Transportation and Telecommunications Committee Feb. 23.

LB401, introduced by Omaha Sen. Mike Friend, would allow local governments to bond up to 75 percent of road projects, provided they can secure funding for at least 25 percent of the costs.

Eligible roads projects would cost at least \$30 million and would have to be approved by the Surface Transportation High Priority Council, newly created by LB401. The council would comprise the chairperson of the state Highway Commission and six members appointed by the governor.

Total bonding projects could not exceed \$250 million.

The bill also would create a mechanism for issuing low-interest loans to local governments to complete surface transportation projects.

Friend said LB401 would make the best use of the state's revenue. The 5 percent interest accrued by bonds would lag behind inflation, he said, resulting in both a cost savings to the state and the initiation of projects that currently do not have enough funding.

"I think this could provide some major progress for us," Friend said.

David Brown, president and CEO of Greater Omaha Chamber of Commerce, testified in support of the bill. He said the bill would result in no new taxes, construction of projects that never seem to have enough money, collaboration with highway bureaucracy and savings in regard to inflation.

Brown said it would be far cheaper to build with bonds rather than using the current pay-as-you-go policy. Dedicating a small revenue stream for

the purpose of paying bonds would be better than waiting until enough funds are collected to pay for projects upfront, he said.

"[LB401 is] not supposed to be a panacea, but it is rather a way to get started with some high-priority projects," Brown said.

John Sandoz of Plattsmouth also testified in support of the bill. He said demographic issues and the new federal stimulus package are indicators of imminent inflation. Projects paid for by bonds issued with 5 percent interest will cost much more when inflationary pressures raise costs or interest rates, he said.

"I think it is financially responsible," Sandoz said. "The important point is we are doing it now at 5 percent instead of 15 percent in 10 years."

Lynn Rex, representing the League of Nebraska Municipalities, testified in a neutral capacity. Although supportive of bonding, she said, her organization is concerned about the use of the highway trust fund for the bonding authority set forth in LB401.

Rex also said very few cities would be able to participate in the bonding, due to the \$30 million minimum threshold for projects. She said the requirement needs to be lowered to avoid excluding most Nebraska cities.

The committee took no immediate action on the bill.

## Urban Affairs

### Economic development changes proposed

A bill that would amend the Local Option Municipal Economic Development Act was heard Feb. 24 by the Urban Affairs Committee.

LB525, introduced by Omaha Sen. Mike Friend, would increase to five-

tenths of one percent the amount of funds a city, village or county could collect from local tax dollars for voter-approved economic development purposes. Currently, the maximum is four-tenths of one percent.

The bill also would expand the list of eligible economic development programs to include community marketing, private tourism development and workforce attraction and retention.

Cities and villages would not be allowed to spend more than 30 percent of revenue raised over a 12-month period on housing projects.

Friend said the bill does not change the requirement that political subdivision voters must approve all economic development programs.

Caleb Pollard, executive director of the Valley County Economic Development Board and the Ord Area Chamber of Commerce, testified in support of the bill.

Pollard said the local option municipal economic development program has empowered small, rural communities to help themselves through micro-enterprise and small business initiatives.

He said Ord has experienced 12 percent growth in non-farm jobs in the last few years, in spite of a difficult economy, and has an 80 percent occupancy rate in its downtown district.

"We still battle population decline," Pollard said. "But this program works."

Lynn Rex of the Nebraska League of Municipalities also testified in support of the bill.

Forty-six municipalities across the state have plans under the development act that have created hundreds of jobs, she said.

There was no opposition testimony and the committee took no immediate action on the bill.



# ISSUES UPFRONT.....

## Community improvement grant program sought

The Urban Affairs Committee heard testimony Feb. 24 on a bill that would establish a grant program for community improvement projects.

Under LB633, introduced by Sen. Heath Mello of Omaha, the grant program would be administered by the University of Nebraska Omaha's College of Public Affairs. Grants would be awarded for projects that benefit a neighborhood or small community.

Eligible grant recipients would demonstrate that a project could be completed in one year, would not duplicate an existing program and would involve residents in the planning, development and execution.

Grant recipients also would be required to provide matching funds



Sen. Heath Mello

or other in-kind contributions in the following amounts:

- 25 percent for a grant up to \$5,000;
- 26 percent to 49 percent for grants ranging from \$5,001 to \$7,500; or
- 50 percent for grants ranging from \$7,501 to \$10,000.

No grant could exceed \$10,000.

The program would be funded by a one-time, \$500,000 general fund transfer. Mello said he understands the hesitancy to fund a new initiative, but said senators should consider seed funds for the project and then look at long-term needs.

"My hope is that we'd find a sustainable mechanism to fund the program in future years," Mello said. "Neighborhood organizations and small communities play a vital role in making Nebraska a better place to live, work and raise a family."

Duane Brooks, president of the South Omaha Neighborhood Alliance testified in support of the bill, saying the collaboration neighborhood

projects foster is as important as the projects themselves.

"It's one of the best investments the state can make," Brooks said.

Omaha neighborhood activist Chrystal Rhoades agreed.

She said organizations are involved in economic development, health and safety, childcare, crime deterrence and other important neighborhood issues.

"Most people think of flower baskets and community gardens," Rhoades said. "But that's a small part of what we do."

Jack Cheloha testified in support of the bill on behalf of the city of Omaha, suggesting that lawmakers think of the measure "as a mini-stimulus bill."

Neighborhood groups could help various sectors of the economy by purchasing goods and services with grant dollars, he said.

The committee took no immediate action on the bill.

## Priority Bill Designations.....

Priority bills are generally scheduled for debate before other bills. Each senator may select one priority bill, and each committee may select two priority bills, by March 12. The Speaker may select up to 25 priority bills per session.

Bill	Senator/ Committee	One-line Description
LB63	Ashford	Change provisions relating to assault, firearms, graffiti, gang affiliation, juveniles, and jailhouse informers
LB260	Rogert	Adopt the Nebraska Claims for Wrongful Conviction and Imprisonment Act
LB307	Council	Change sentencing requirements with respect to certain minors
LB334	Giese	Designate the state expressway system and change provisions relating to highway planning
LB403	Judiciary Committee	Require verification of lawful presence in the United States for certain public benefits, public employment, contracting with public bodies, and tax incentive programs
LB483	Langemeier	Change provisions relating to water well permits
LB646	Schilz	Adopt the Livestock Growth Act

# ISSUES UPFRONT.....

## Sen. Coash revs up for the Unicameral

**T**his senator's early love of cars was the key to his first involvement with the Legislature. Thirteen-year-old Bassett native and future state Sen. Colby Coash took a job at a local restaurant.

"The whole goal was to wash dishes to earn money for a car," Coash said. "I was probably earning \$3.50 an hour. It was a terrible job."

His dream ran off-course, however, when his employer proposed cutting his hours in anticipation of a law before the Legislature that would limit the number of hours teens were allowed to work.

Coash returned home and shared his woes with his father, who then facilitated what would be the future senator's first interaction with state government.

"Rather than saying, 'Well that's

just tough — that's the way it is,' he got on the phone with our state senator," Coash said. His father gave him the phone and instructed him to explain his situation.

Subsequently, the bill threatening Coash's dream of purchasing a car failed to pass.

Twenty years later, Coash is still involved in legislative issues and still appreciates his cars, which he drives to cars shows with his wife, Rhonda. He said his prized vehicle is the first classic car he purchased: a banana-yellow 1974 Corvette Stingray.

Not all of Coash's interests are fueled with gasoline, however. The son of an agronomist, he enjoys planting and gardening — especially mint, which he uses in mint juleps served at his annual Kentucky Derby party.

The gardener also enjoys heavy

metal music.

His passion for all things fast will come in handy as he juggles his role as a Nebraska state senator with his work for a disability services agency. While he said the work pulls him in many directions, both jobs share a commonality.

"My life is not necessarily my own anymore. I share my time with my constituents and the state," Coash said. "My work was already in advocacy for people with disabilities, so in a lot of ways, my public service is just an extension of my work."

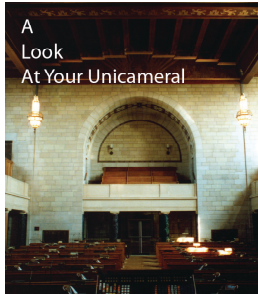
The senator's life is about to shift into high gear, however, as he and his wife are expecting their first child.

"I found out that I was going to be a senator and a dad in the same couple of weeks. So it's been a big year for my wife and me," Coash said.



*Sen. Coash and his wife Rhonda pause for a photo with his 1974 Corvette Stingray.*

# UNICAMERAL INFORMATION

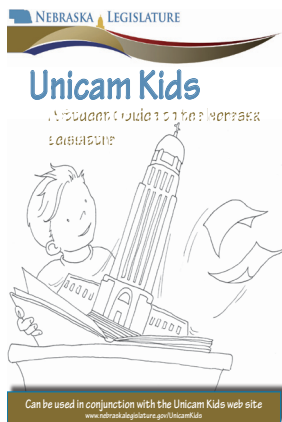


NEBRASKA LEGISLATURE

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# COMMITTEE HEARINGS

## Monday, March 2

### Appropriations

Room 1524 - 1:30 p.m.

Agency 48 Coordinating Commission for Postsecondary Education

Agency 50 Neb. State College System

Agency 83 Community College Aid

### Banking, Commerce and Insurance

Room 1507 - 1:30 p.m.

LB606 (Karpisek) Redefine terms and change a grant qualification provision in the Microenterprise Development Act

LB657 (Harms) Change the Microenterprise Development Act

LB637 (Mello) Require disclosure of information by certain group health carriers

### Business and Labor

Room 2102 - 1:30 p.m.

LB563 (Lathrop) Adopt the Contractor Employee Classification Act

LB537 (Giese) Change provisions relating to the hours of duty of firefighters

LB552 (White) Adopt the Nebraska Construction Prompt Pay Act

### Education

Room 1525 - 1:30 p.m.

LB440 (Council) Change diversity criteria under the Student Diversity Scholarship Program Act

LB21 (Harms) Rename and change provisions of the Nebraska Scholarship Act

LB399 (Lautenbaugh) Change residency provisions relating to the Nebraska Scholarship Act

LB397 (Nordquist) Adopt the State Scholarship Award Program Act and the Scholarship Assistance Program Act and repeal the Nebraska Scholarship Act

### General Affairs

Room 1510 - 1:30 p.m.

LB286 (General Affairs) Change distribution of lottery funds

LB287 (General Affairs) Change provisions relating to the definite profit of pickle cards

LB415 (Christensen) Prohibit tobacco sales from self-service displays

### Transportation & Telecommunications

Room 1113 - 1:30 p.m.

LB60 (Adams) Redefine abandoned vehicle

LB111 (Fischer) Change provisions relating to fines for speeding in a construction zone

LB278 (Mello) Permit municipalities to allow pedestrians to solicit in roadways

LB560 (Lathrop) Change provisions relating to towing motor vehicles

## Tuesday, March 3

### Agriculture

Room 1510 - 1:30 p.m.

LB593 (Dierks) Restrict entity ownership of agricultural land and farm and ranch operations

LB224 (Carlson) Change Nebraska State Fair and Nebraska State Fair Board provisions

LB516 (Hansen) Require compensation for certain structures located on the Nebraska State Fairgrounds in Lancaster County

### Appropriations

Room 1524 - 1:30 p.m.

LB37 (Flood) Appropriate funds for a new division of the University of Nebraska Medical Center College of Nursing in Norfolk

LB492 (Haar) Provide for funding certain positions at the University of Nebraska-Lincoln

LB454 (Lathrop) Change Nebraska Health Care Cash Fund provisions

Agency 47 Neb. Educational Telecommunications Commission

Agency 51 University of Neb. System

### Education

Room 1525 - 1:30 p.m.

LB655 (Harms) Require community

college compliance with association membership provisions

LB673 (Price) State intent for appropriations to the community colleges

LB400 (Lautenbaugh) Change fiscal year provisions for calculation of community college base revenue need

LB607 (Gay) Adopt the Higher Education Academic Scholarship Program Act

LB413 (Ashford) Adopt the College Choice Grant Program Act

### Transportation & Telecommunications

Room 1113 - 1:30 p.m.

LB200 (Janssen) Change motorcycle and moped helmet requirements

LB368 (Mello) Change point system violation regarding reckless driving and willful reckless driving

### Urban Affairs

Room 2102 - 1:30 p.m.

LB562 (Lathrop) Provide for the continued service of metropolitan utilities district board members after annexation

LB658 (Friend) Provide infrastructure system replacement mechanism provisions under the State Natural Gas Regulation Act

## Wednesday, March 4

### Appropriations

Room 1003 - 1:30 p.m.

Agency 21 State Fire Marshal

Agency 35 Neb. Liquor Control Commission

Agency 64 Neb. State Patrol

Agency 78 Neb. Commission on Law Enforcement and Criminal Justice

Agency 46 Dept. of Correctional Services

### Government, Military and Veterans Affairs

Room 1507 - 1:30 p.m.

LB574 (Rogert) Change reporting requirements under the Nebraska Politi-

# COMMITTEE HEARINGS

cal Accountability and Disclosure Act  
LB626 (Karpisek) Change prohibited activities for public officials and public employees use of public resources  
LB635 (Mello) Change reporting requirements for political party committees under the Nebraska Political Accountability and Disclosure Act  
LB638 (Lautenbaugh) Repeal the Campaign Finance Limitation Act and change reporting requirements under the Nebraska Political Accountability and Disclosure Act

## Health and Human Services

Room 1510 - 1:00 p.m.

LB214 (Cornett) Redefine nail technology under the Uniform Credentialing Act  
LB417 (Friend) Change provisions of the Optometry Practice Act  
LB444 (Christensen) Adopt the Escort Services Accountability and Licensing Act  
LB621 (Wightman) Provide an exemption from licensure as a massage therapist

## Judiciary

Room 1113 - 1:30 p.m.

LB153 (Lautenbaugh) Adopt the Tourism Liability Act  
LB517 (Hansen) Change provisions relating to family reunification and termination of parental rights  
LB199 (Stuthman) Change provisions relating to court support orders and collection of such support  
LB506 (Pirsch) Change penalties related to the duty to stop at a motor vehicle accident  
LB238 (Lathrop) Adopt the Public Power Infrastructure Protection Act and change penalty provisions regarding trespass

## Natural Resources

Room 1525 - 1:30 p.m.

LB388 (Langemeier) Change public power district officials compensation provisions  
LB582 (Dierks) Create the Nebraska Invasive Species Council

## Nebraska Retirement Systems

Room 1525 - 12:10 p.m.

LB187 (Nebraska Retirement Systems) Change employee deposits under the School Employees Retirement Act  
LB449 (Campbell) Change disability retirement allowance provisions of the School Employees Retirement Act  
LB140 (Avery) Provide duties relating to investment of state funds in Sudan-related companies

## Revenue

Room 1524 - 1:30 p.m.

LB57 (Louden) Exempt repairs and parts for agricultural machinery or equipment from sales and use taxes  
LB65 (Dubas) Exempt agricultural machinery repair parts from sales tax  
LB233 (Adams) Exempt mineral oil to be applied to grain as a dust suppressant from sales and use taxes  
LB9 (Wightman) Exempt biofuels used for irrigation and farming purposes from sales tax

## Thursday, March 5

### Appropriations

Room 1003 - 1:30 p.m.

Agency 81 Commission for the Blind and Visually Impaired  
Agency 67 Equal Opportunity Commission  
Agency 68 Mexican-American Commission  
Agency 70 State Foster Care Review Board  
Agency 76 Neb. Indian Commission  
Agency 82 Commission for the Deaf and Hard of Hearing

### Government, Military and Veterans Affairs

Room 1507 - 1:30 p.m.

LB363 (Avery) Prohibit certain expenditures by campaign committees  
LB486 (Karpisek) Require certain governmental entities to identify them-

selves as such in their official name  
LB509 (Pirsch) Redefine election period for the Campaign Finance Limitation Act

## Health and Human Services

Room 1510 - 1:00 p.m.

LB406 (Fulton) Permit certified nurse midwives to have clinical privileges in hospitals  
LB457 (Friend) Change provisions relating to certified nurse midwives  
LB481 (Haar) Eliminate restrictions on midwives attending home deliveries

## Judiciary

Room 1113 - 1:30 p.m.

LB594 (Dierks) Adopt the Women's Health Protection Act governing abortion and provide a civil remedy for failure to comply with the act  
LB675 (Fulton) Provide for additional voluntary and informed consents from a woman prior to abortion  
LB676 (Fulton) Provide for additional voluntary and informed consents from a woman prior to abortion  
LR26 (Lautenbaugh) Strongly oppose the federal Freedom of Choice Act and urge Congress to summarily reject it

## Revenue

Room 1524 - 1:30 p.m.

LB58 (Louden) Exempt heating oil or propane used for residential heating purposes from sales and use taxes  
LB234 (Adams) Change a sales and use tax exemption relating to fuel and energy  
LB632 (Mello) Adopt the Nebraska Green Building Advantage Act and authorize a sales tax refund  
LB539 (Coash) Authorize a refund of sales tax on certain residential building products  
LB455 (Nordquist) Provide renewable energy sales and use tax credit and exemption for eligible entities

# CITIZEN VIEWS of the CAPITOL



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Named one of America's favorite buildings by the American Institute of Architects, Nebraska's State Capitol Building is a favorite subject among photographers. Its dramatic architecture provides many opportunities for closer study. The Unicameral Update invited members of the public to share their own Capitol photographs with our readers. This photo series will be available in color on the Legislature's Web site, [www.NebraskaLegislature.gov](http://www.NebraskaLegislature.gov).

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